

Message Text

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11

ACTION EA-14

INFO OCT-01 ADP-00 H-03 SS-15 NSC-10 CIAE-00 DODE-00

INR-10 NSAE-00 PA-03 RSC-01 USIA-15 PRS-01 SY-10

RSR-01 /084 W

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R 200553Z AUG 73

FM AMCONSUL HONG KONG

TO USIA WASHDC

INFO SECSTATE WASHDC 7951

UNCLAS HONG KONG 8339

USIAC

FOR IEA/IOP ALSO PASS DEA (BNDD)

STATE FOR EA

EO 11652: N/A

SUBJ: FOLLOWING HONG KONG STANDARD AUGUST 20 REPORT
OF REP LESTER WOLFF CLARIFYING HIS OWN AIRPORT STATE-
MENTS:
QUOTE

1. THE US HAS NO DESIRE TO IMPOSE UPON HONG KONG'S
AUTONOMY IN ANY WAY IN THE WAR AGAINST NARCOTICS MANU-
FACTURE AND SMUGGLING.

2. THIS WAS SAID BY MR LESTER WOLFF, CHAIRMAN OF THE
US HOUSE OF REPRESENTATIVES FOREIGN AFFAIRS COMMITTEE
WHO IS HERE ON A FACT-FINDING MISSION WITH THREE OTHER
HOUSE MEMBERS.

3. MR WOLFF SAID HIS STATEMENTS MADE ON ARRIVAL AT
KAITAK AIRPORT ON FRIDAY HAVE BEEN MISINTERPRETED.

4. "THE PROBLEM WE FIND IS NOT LACK OF COOPERATION BY
HONG KONG. WHAT I REFERRED TO AS A PROBLEM IS THAT
THERE IS NO REAL HARD INFORMATION AVAILABLE BECAUSE OF
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AN INABILITY IN HONG KONG TO EXERCISE SUFFICIENT SUR-

VEILLANCE TO CONTROL THE DRUG TRAFFIC SINCE THIS IS A FREE PORT."

5. MR WOLFF POINTED OUT THAT THERE WERE MANY OFF-SHORE ISLANDS OUTSIDE HONG KONG'S INTERNATIONAL BOUNDARIES WHICH ARE USED FOR DRUG-SMUGGLING ACTIVITIES.

6. SURVEILLANCE OF THESE ISLANDS, HE SAID, WOULD REQUIRE THE COOPERATION OF THE CHINESE GOVERNMENT.

7. MR WOLFF SAID HE HAD SUBMITTED AN APPLICATION TO VISIT CHINA EARLY THIS YEAR BUT HAD NOT AS YET RECEIVED A REPLY.

8. ASKED ABOUT HIS REQUEST FOR MORE US NARCOTIC AGENTS TO BE STATIONED IN HONG KONG, HE SAID, "I DO NOT THINK THAT THERE SHOULD BE A LIMITATION. WE HAVE NO DESIRE TO IMPOSE UPON HONG KONG'S AUTONOMY IN ANY WAY."

9. THE UNITED STATES IS AT PRESENT A MARKET FOR MORE THAN 50 TONS OF OPIUM OR EQUIVALENT WORTH ABOUT \$10,000 MILLION A YEAR, ACCORDING TO MR LESTER WOLFF, CHAIRMAN OF A US HOUSE OF REPRESENTATIVES FOREIGN AFFAIRS COMMITTEE WHO IS HERE TO INVESTIGATE THE DRUG SITUATION.

10. "SINCE THE CUT-OFF ON THE MIDDLE EAST, I WOULD SAY ABOUT 25 TO 40 PERCENT OF THE TOTAL SUPPLY COMES FROM THE GOLDEN TRIANGLE AREA," HE SAID.

11. THE GOLDEN TRIANGLE AREA COMPRISING THAILAND, BURMA AND LAOS ACCOUNTED FOR ABOUT 50 TO 100 TONS OF RAW OPIUM A YEAR AND WHEN REFINED, THE END-PRODUCT WOULD BE WORTH ABOUT \$20,000 TO \$25,000 MILLION ON THE US MARKET, MR WOLFF SAID.

12. SINCE THE ARREST OF THE OPIUM KING" STRONGMAN LO HSING-HAN, THERE HAS BEEN A LESSENING OF DRUG-TRAFFICKING ACTIVITY IN THE GOLDEN TRIANGLE AREA, HE UNCLASSIFIED

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SAID.

13. IN THE PAST, THE CAMPAIGN AGAINST THE CULTIVATION OF OPIUM POPPY IN THE AREA HAD FAILED BECAUSE MOST OF THE CROP GREW IN THE SO-CALLED "AREAS OF INSURGENCY" --NOT UNDER THE CONTROL OF THE CENTRAL GOVERNMENTS OF THE REGION, MR WOLFF SAID. BURMA, IN PARTICULAR, HAD VERY LITTLE CONTROL OVER ILLEGAL ACTIVITIES GOING ON IN

SHAN STATE.

14. HOWEVER SINCE THIS YEAR, THERE HAS BEEN A WELCOME INCREASE OF COOPERATION FROM THAILAND, LAOS AND ESPECIALLY BURMA IN THE FIGHT AGAINST NARCOTICS, HE SAID.

15. "THE RECENT STRONG MEASURE OF COOPERATION BETWEEN THAILAND AND BURMA IS EVIDENCED BY THE ARREST OF LO HSING-HAN," MR WOLFF SAID.

16. ONE RESULT OF THIS INCREASED COOPERATION BY THE THREE COUNTRIES IS THAT THERE HAS BEEN A DECREASE OF DRUG SHIPMENTS FROM THAT AREA TO HONG KONG. "NO TRAWLER FROM THAILAND HAS COME TO HONG KONG DURING THE LAST SEVEN WEEKS," HE SAID.

17. TO REALLY ERADICATE THE PROBLEM WOULD REQUIRE GOVERNMENT TO GOVERNMENT COOPERATION AT ALL LEVELS AND ONE SOLUTION UNDER TRIAL IS TO GET THE FARMERS IN THE AREA WHO HAVE BEEN GROWING OPIUM TO CULTIVATE SUBSTITUTE CASH CROPS, HE SAID.

18. CONTRARY TO POPULAR BELIEF, THE OPIUM FARMER DOES NOT MAKE A BIG PROFIT ON HIS CROP, MR WOLFF SAID.
"IT IS LESS THAN ONE-TENTH OF ONE PERCENT OF THE TOTAL VALUE OF THE OPIUM WHEN IT IS REFINED AND SOLD ON THE US MARKET.

19. "IN THE PAST WHEN SOME OF THE FARMERS TRIED SWITCHING FROM GROWING OPIUM TO OTHER CROPS, IT WAS FOUND THEY COULD NOT SELL THE PRODUCE TO COVER COSTS," HE SAID.

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WPM THIS WAS DUE TO THE LACK OF A PROPER MARKETING SET-UP TO DISTRIBUTE THE PRODUCE AND A MARKETING STRUCTURE MUST BE SET UP TO PROVIDE OUTLET FOR THE CASH CROPS, MR WOLFF SAID.

21. SUCH SUBSTITUTE CASH CROPS COULD EITHER BE TOBACCO, BEANS OR VEGETABLES. THERE ARE PLANS TO BUILD HOSPITALS, DISPENSARIES AND SCHOOLS IN THE AREA BESIDES HELPING THE FARMER GROW THE CASH CROPS, HE SAID.

22. "I HAVE ALREADY INTRODUCED LEGISLATION AMOUNTING TO US\$50 MILLION IN CONGRESS" HE SAID. END QUOTE HONG KONG STANDARD.
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